

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**

May 18, 2007 • 10:00 a.m. to 12:00 p.m.
324 South State Street, 5th Floor
Salt Lake City, Utah

Members Present: Ragula Bhaskar, Bill Boyle by phone, Jack Brittain, Mary Draper, Molonai Hola, Mark Howell, Mel Lavitt, Richard Nelson, Gerald Sherratt, Deb Tanzi, Cliff White

Members Absent: Amy Rees Lewis, Jerry Oldroyd

Visitors: Todd Brightwell, Jeff Edwards, Tauni Everett, Reed Jacobs, Peter Klinge, Steve Oberbeck, Brice Wallace

Staff: Luke Behrman, Doug Clark, Connie Gates, Amy Hamblin, Fred Lange, Bill Loos, Marshall Moore, Stan Nance, Michael Nelson, Pete Pletsch, Michael Sullivan, Pat Vaughn

Welcome - Mark Howell acted as chairman and welcomed everyone to the meeting.

Approve April 2007 Minutes

MOTION: Cliff White moved to approve the minutes of the April 20, 2007 GOED Board Meeting. Gerald Sherratt seconded the motion. Motion carried unanimously.

Committee Reports

Incentives Committee

Air Liquide

Project Highlights:

- 43 New Full time Employees in Salt Lake City, Utah
- Projected Wages: \$64,083 average which is 224% of the Salt Lake County median wage
- New State Revenue: \$3,704,000 over 10 years
- New State Wages: \$27,863,000 over 10 years
- Capital Investment: \$21,000,000
- ROI Multiple: 3.3 times
- Competition: Rock Springs, Wyoming

Local Incentives:

- Salt Lake City is offering a \$400,000 low interest loan from the City's revolving loan fund

There was discussion regarding the competition for this project. The type and location of facility was discussed. The amount of the incentive is the maximum percent allowed per statute.

MOTION: Gerald Sherratt moved to approve an EDTIF rebate for Air Liquide Industrial USLP of up to \$1,111,000 on a post performance basis rebating 30% of new state revenue over 10 years. Mel Lavitt seconded the motion. Motion carried unanimously.

Additional Requirements:

- Maximum incentive not to exceed 30% of new state revenues over the 10 year life of the project
- Company to maintain the project with the State of Utah for 10 years
- Average salaries must be at least 200% of the Salt Lake County median salary
- Local incentives will be required prior to disbursement of EDTIF rebates
- A statewide baseline for existing jobs and state revenue must be established

Cedar City Corporation

Company Request: Economic Opportunity Industrial Assistance Fund

- Cedar City is requesting a 2-1 match in which the State will provide \$400,000 as a Economic Opportunity Infrastructure grant and they will provide \$827,973 for a total of \$1,227,973 needed to cover the completion of a redundant broadband network

Project Highlights:

- Capital Investment: \$2,655,608 (\$1,427,635 provided by the Contractor for labor and product used for Phase I and Metro Ring. The remaining \$1,227,973 is required for the completion of the redundancy phase of the network

Local Contribution: Cedar City capital funds of \$827,973

Mayor Gerald Sherratt spoke to the importance of how this project will open up many opportunities for Cedar City to attract businesses. There was discussion on what a great example this is as an economic opportunity project and the hope is that other cities will follow.

MOTION: Richard Nelson moved to approve an Economic Opportunity Infrastructure grant in the amount of \$400,000 to Cedar City Corporation for the completion of a redundant broadband network from the FTV regeneration site located at New Castle, Utah into the Cedar City Area. Ragula Bhaskar seconded the motion. Gerald Sherratt abstained. Motion carried unanimously.

Terms and Conditions:

- Must be a 2-1 match in which the State will provide \$400,000 as an Economic Opportunity Infrastructure grant and Cedar City will provide \$827,973 for a total of \$1,227,973.

Jake's Run

Project Request: MPIF

- Category: Feature Movie (Independent)
- Dollars left in state : \$2,900,000
- Requested estimated rebate at \$275,000
- Average Salary for 60 Utah crew, 10 cast, and 500 extras=\$6,300
- Film production will total 28 days

Incentive Rebate Percentages

- Amount of budget to be spent in Utah: \$2,900,000 which represents 64% of the total budget of \$4,497,822

Incentive requirements

- Script Review for Content Matter: Anticipated to be PG-13

Demonstrate Readiness Requirements

- Financing: Yes
- Distribution agreement: 20th Century Fox digital theatrical release in September followed by wide DVD release in the US and Canada
- Completion Bond: Waived

Project schedule

- Beginning preproduction: 4/2/2007
- Beginning Photography: 5/21/2007
- Begin Wrap: 6/27/2007

MOTION: Debra Tanzi moved to approve for Jake's Run, Game Plan Films LLC, a MPIF rebate not to exceed 10% of the total dollars left in the state. The total dollar amount for the rebate shall not exceed \$275,000. Gerald Sherratt seconded the motion. Motion carried unanimously.

Wage Indexing Policy

Staff presented a policy to use a wage index for county median wages for incentives. The index is an updated and more verifiable way of determining county median wages and would go into effect July 1, 2007. These numbers will be used until the “median wage” can be changed to “average wage” during the next legislative session.

MOTION: Ragula Bhaskar moved to approve the Wage Indexing Policy. Jack Brittain seconded the motion. Motion carried unanimously.

Richard Nelson handed out some statistical information regarding the labor force in the IT/Life Science industry within the state and how recruiting talent should be a priority of the board. The state is at a historical low for unemployment and it is difficult finding talented people among our existing labor force. There are issues with other states recruiting away our talent, state colleges not producing enough needed talent etc. The lack of good talent is really stunting the growth of the state. Perhaps through recruitment missions, initiatives etc. we can help improve this issue. Pat Vaughn, Director of Talent Acquisition Programs, GOED, spoke about the importance of this topic and how it is affecting the state. The WIRED initiative was explained. It was suggested that this topic be included on every agenda and that an employment committee be formed to address this issue.

MOTION: Richard Nelson moved to adjourn the meeting. Ragula Bhaskar seconded the motion. Motion carried unanimously.

Meeting adjourned.